



# Creative and Cultural Industries

Bachelor's Degree in Business Administration

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# Table of contents

INTRODUCTION .....	4
1. THEORETICAL FRAMEWORK .....	5
1.1. What does the concept of creativity mean? .....	5
1.2. Creative and Cultural Industry .....	5
1.3. Value chain of the Creative and Cultural Industry .....	6
2. RESEARCH METHODOLOGY .....	8
3. CONTENT ANALYSIS .....	9
3.1. Classification of Creative and Cultural Industry.....	9
3.2. Features of the Creative and Cultural Industry.....	10
3.3. Development policies of the creative and cultural industry in Europe.....	12
3.4. Development initiatives of the creative and cultural industries in the European Union .....	15
3.5. Developing policies of the creative and cultural industries in Spain .....	18
3.6. Creative and cultural industry in Europe .....	21
3.7. The creative and cultural industry in Spain .....	24
Cultural Gross Domestic Product.....	25
Cultural gross added value .....	26
Cultural companies .....	27
Cultural Employment .....	30
Financing and public expense in culture .....	31
Intellectual property .....	32
Foreign trade of cultural goods and services.....	33
Cultural tourism.....	33
Analysis of the creative and cultural industry areas.....	34
3.8. Creative and cultural industry in the United Kingdom.....	38
Gross Value Added (GVA) of the creative industries.....	38
Employment in the Creative Industries.....	41
Exports of creative services .....	43
Cultural tourism.....	43
Analysis of the creative and cultural industry areas.....	44
4. CONCLUSIONS .....	48
Exports of creative services .....	49
5. REFERENCES .....	51

## **Table of graphics**

Graphic 1.Cultural companies in certain activities of the industry and the services by economic activities.2013 (In percent).....	29
Graphic 2.Average employment (in miles).....	30
Graphic 3.Cultural employment rate: by professional situation and type of working day. 2013 (By percentage).....	31
Graphic 4.Paid off expenses in culture by the Local Administration by expense destination (By percentage).....	32
Graphic 5.Museums and Museographic collections depending on typology 2012 (Percentage of the total).....	34
Graphic 6.Subsectors books registered in the ISBN 2013 (by percentage).....	36
Graphic 7.Gross Value Added 2008-2010 (in billions €).....	48

## **Table of tables**

Table 1.Classification systems of the creative industries.....	9
Table 2.Employment (in thousands). 2012.....	23
Table 3.The 11 cultural and creative markets in the EU28.....	24
Table 4.Contribution of the Gross Domestic Product of cultural activities.....	25
Table 5.Participation of the creative and cultural industry in the Gross Added Value 2008-2012.....	26
Table 6.Cultural companies by autonomous community.....	27
Table 7.Economic data of the creative and cultural sector 2013 .....	28
Table 8.GVA of the UK Creative Industries 2008 – 2012.....	39

Table 9.Percentage change in GVA UK.....	40
Table 10.Employment in the Creative Industries UK.....	41

**Table of figures**

Figure 1.Creative and Cultural Industries .....	6
Figure 2.Value chain of the Creative and Cultural Industry.....	7
Figure 3.Planning process.....	13
Figure 4.Areas of intervention.....	14
Figure 5.Proportion of jobs in United Kingdom .....	42
Figure 6.Britain's image overseas.....	44

# INTRODUCTION

In the recent years, the cultural and creative industries have gained more and more influence within the economies around the world. This is mainly due to the progress of the information and communication technologies and the effect that the service area is having on society.

Given the constant progresses that are occurring, the creative and cultural industries have diversified and democratized. At the same time the process of creativity and the inventiveness have been liberalized overcoming barriers that used to determine the entries and exits of this sector. New businesses related to cultural activities, knowledge, information and people's leisure have been created. The creative and cultural industries have started to contribute to competitiveness and social cohesion of the different countries, cities and cultures around the world.

In this reality controlled by sounds, images, ideas, information, technologies, activities that are based on the creative ability of persons can produce more than it is expected. But this can only occur if they join forces and structure as a homogeneous sector in order to ask for their rights and face the continuous changes that we are witnessing.

The study about this sector can be structured in three parts. In the first part we will speak about the concept of creativity and about the concept of creative and cultural industry. In the second part we will explain the methodology used for the study. The third part represents the analysis of the results. We will explain the main characteristics of the creative and cultural industries of the European Union. Also we will mention briefly the development initiatives and policies of this sector, emphasizing the Spanish case. And finally we will analysis the main economic indicators from the Spain creative and cultural industry and from United Kingdom.

We will conclude with a brief explanation of the difficulties that we had in the analysis of information and the difficulties that this sector is facing nowadays. Also we will try to make a few suggestions for the future improvement of the creative and cultural industries in Spain.

# 1. THEORETICAL FRAMEWORK

## 1.1. What does the concept of creativity mean?

Creativity is an ability of the human being and has always existed. Throughout history, this term has suffered many transformations. For example, the RAE (Royal Spanish Academy) defines the term of creativity as the ability of creating or the competence of creation. From the corporate point of view, creativity is the aptitude of producing original responses to every problem that an individual may encounter.

The English philosopher Alfred Taylor Edward distinguished between five forms of creativity:

1. Expressive level: which is connected to the discovery of new forms of expressing feelings
2. Productive level: where execution technique is increased and there is a major concern for the number rather than the form and contents
3. Inventive level: where there is a major doses of invention and ability to discover new realities
4. Innovative level: where originality interferes
5. Emerging level: the one that defines talent or temper

## 1.2. Creative and Cultural Industry

The concept of creative industries is relatively a new one that was launched in the mid '90. The first time this term appeared in Australia, but was United Kingdom by the British former cultural minister Chris Smith. This said that for them this concept involves all the areas whose activity is based on scientific and artistic creativity.

The Ministry of Education, Culture and Sports of the Spanish Government defines the term of cultural industry as what refers to the industries that mix creation, production and commercialization of creative content that are intangible and of cultural nature.

The cultural industries normally include publishing sectors, multimedia, audiovisual, phonographic, movie productions, arts and crafts and design.

On the other hand, the very same Ministry of Education, Culture and Sports of the Spanish Government defines the term of creative industry as the one that implies a wider combination of activities that includes cultural industries plus all the artistic or cultural production, whether they are entertainment or individually produced goods.

The creative industries are the ones in which the product or service includes an essential artistic or creative element and it comprises areas such as architecture and advertising.

**Figure 1. Creative and Cultural Industries**

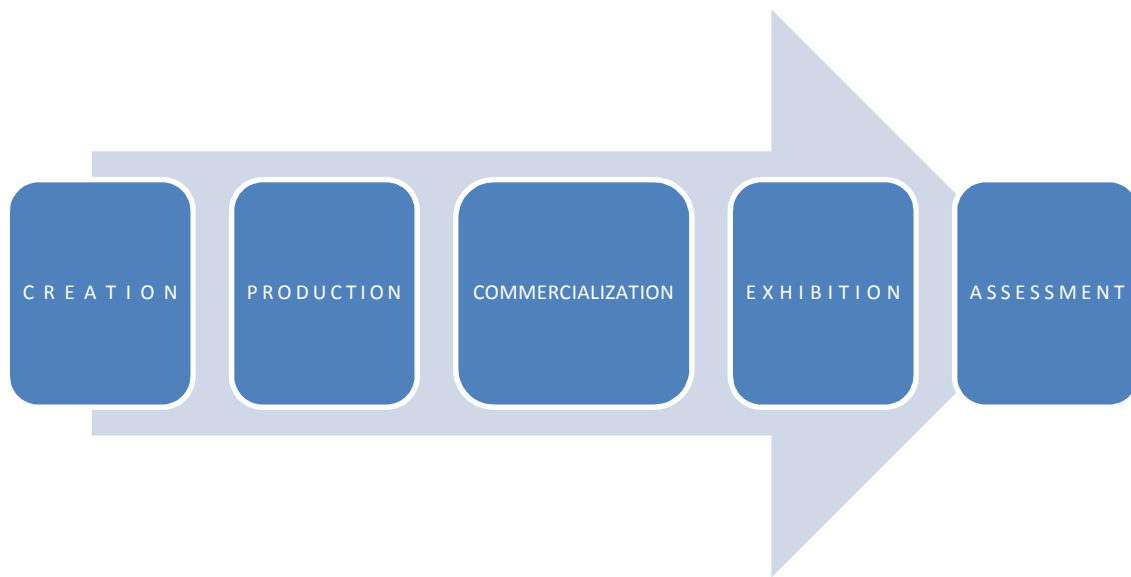


Source: Ministry of Education, Culture and Sports; Spanish Government

### 1.3. Value chain of the Creative and Cultural Industry

The value chain of the Cultural and Creative Industry has the purpose of describing the particular way in which activities and functions of the companies of this sector are developed and it can be summarized as in the following diagram:

**Figure 2.Value chain of the Creative and Cultural Industry**



Source: Ministry of Education, Culture and Sports; Government of Spain

In these industries, the value chain starts with the process of creation which is based on creativity, innovation, ability of expression, and which has a close-knit relationship with the process of production. The raw materials of the production process are the ideas and the creative ability of persons who develop their activity in this area.

The “products”, from tangible goods up to a determined product, are usually protected by copyright.



## 2. RESEARCH METHODOLOGY

The methodology used for the study of the creative and cultural sector, have been searching through Google and Google Scholar. Both are engines that facilitate the search of secondary source of information. But the second one is a more specialized in academics and scientific articles. The study is base mainly on reviewed publish research material about the creative and cultural industries.

The purpose of the research was to:

- Gain the familiarity needed to analyse the concept
- To illustrate the main characteristics and types of creative and cultural industry
- To describe the main economic indicators from this sector

The basic type of research used for the study is descriptive due to the fact that that its main purpose is to illustrate the state of affairs of the creative and cultural industry as it exists at present. Neither the variables nor the results can be controlled.

For the study is has been considered a period of 6 years, from 2008 and 2013. This period is more than enough to seen the continuous growth of the sector and how this turned into a key prop of the current economy.

## 3. CONTENT ANALYSIS

### 3.1. Classification of Creative and Cultural Industry

There are six main classification systems of these types of industries which appear in the Report on Creative Industries of 2013, drawn up by UNESCO. We list them hereunder:

**Table 1. Classification systems of the creative industries**

1. DCMS Model	2. Symbolic Texts Model	3. Concentric Circles Model
<ul style="list-style-type: none"><li>•Advertising</li><li>•Architecture</li><li>•Art and antiques market</li><li>•Crafts</li><li>•Design</li><li>•Fashion</li><li>•Film and video</li><li>•Music</li><li>•Performing arts</li><li>•Publishing</li><li>•Software</li><li>•Television and radio</li><li>•Video and computer games</li></ul>	<ul style="list-style-type: none"><li>•Core cultural industries<ul style="list-style-type: none"><li>•Advertising</li><li>•Film</li><li>•Internet</li><li>•Music</li><li>•Publishing</li><li>•Television and radio</li><li>•Video and computer games</li></ul></li><li>•Peripheral cultural industries<ul style="list-style-type: none"><li>•Creative arts</li></ul></li><li>•Borderline cultural industries<ul style="list-style-type: none"><li>•Consumer electronics</li><li>•Fashion</li><li>•Software</li><li>•Sport</li></ul></li></ul>	<ul style="list-style-type: none"><li>•Core creative arts<ul style="list-style-type: none"><li>•Literatura</li><li>•Music</li><li>•Performing arts</li><li>•Visual arts</li></ul></li><li>•Other core cultural industries<ul style="list-style-type: none"><li>•Film</li><li>•Museums and libraries</li></ul></li><li>•Wider cultural industries<ul style="list-style-type: none"><li>•Heritage services</li><li>•Publishing</li><li>•Sound recording</li><li>•Television and radio</li><li>•Video and computer games</li></ul></li><li>•Related industries<ul style="list-style-type: none"><li>•Advertising</li><li>•Architecture</li><li>•Desing</li><li>•Fashion</li></ul></li></ul>

4. WIPO Copyright Model	5. UNESCO Institute for Statistics Model	6. Americans for the Arts Model
<ul style="list-style-type: none"> <li>•Core copyright industries <ul style="list-style-type: none"> <li>•Advertising</li> <li>•Collecting societies</li> <li>•Film and video</li> <li>•Music</li> <li>•Performing arts</li> <li>•Publishing</li> <li>•Software</li> <li>•Television and radio</li> <li>•Visual and graphic art</li> </ul> </li> <li>•Partial copyright industries <ul style="list-style-type: none"> <li>•Architecture</li> <li>•Clothing, footwear</li> <li>•Design</li> <li>•Fashion</li> <li>•Household goods</li> <li>•Toys</li> </ul> </li> <li>•Interdependent copyright industries <ul style="list-style-type: none"> <li>•Blank recording material</li> <li>•Consumer electronics</li> <li>•Musical instruments</li> <li>•Paper</li> <li>•Photocopiers, photographic equipment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•Industries in core cultural domains <ul style="list-style-type: none"> <li>•Museums, galleries, libraries</li> <li>•Performing arts</li> <li>•Festivals</li> <li>•Visual arts, crafts</li> <li>•Design</li> <li>•Publishing</li> <li>•Television, radio</li> <li>•Film and video</li> <li>•Photography</li> <li>•Interactive media</li> </ul> </li> <li>•Industries in expanded cultural domains <ul style="list-style-type: none"> <li>•Musical instruments</li> <li>•Sound equipment</li> <li>•Architecture</li> <li>•Advertising</li> <li>•Printing equipment</li> <li>•Software</li> <li>•Audiovisual hardware</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•Americans for the Arts Model <ul style="list-style-type: none"> <li>•Advertising</li> <li>•Architecture</li> <li>•Arts schools and services</li> <li>•Design</li> <li>•Film</li> <li>•Museums, zoos</li> <li>•Music</li> <li>•Performing arts</li> <li>•Publishing</li> <li>•Television and radio</li> <li>•Visual arts</li> </ul> </li> </ul>

Source: UNESCO

## 3.2. Features of the Creative and Cultural Industry

UNESCO defines creative and cultural industries as “those organized activity sectors which have the main concern of producing or reproducing, promoting, broadcasting and/or commercializing goods, services and cultural, artistic or inherited content”. This definition not only emphasizes products based on human creation which are industrially produced, but also give credit to the productive chain and the particular functions that each sector of this industry carries out in order to achieve its objectives.

The cultural and creative industries sector currently stands on an initial stage of structuring, with a difficult delimitation. This is due to its peculiar features, from which we highlight the following:

- It is made up of crossed areas which are extended to different fields of the economy including production, service and distribution
- It can be considered as an intersection between culture, economy and the law
- It has a double nature, that is, economical from the point of view of the wealth and employment generation, and cultural from the point of view of the values, consciousness and identities
- Creativity is the main part of the process of production
- It is divided into subsectors and markets, each one of them with its own characteristics (music, art, film, design...)
- It is a sector that focuses on the production of content and copyright, pretty difficult to define and control
- The structure of the business is at a low scale, which means it is a sector mainly formed by small and medium enterprises
- It is considered a high risk industry which presents market opportunities with a high level of changeability
- It is an industry capable of being found in large metropolis as well as in the less developed regions
- The pressure groups that it manages to create are not very solid in society as they are in politics since it is a recent industry

When analyzing them from the economic and cultural point of view, the cultural and creative industries may be considered as a highly important strategic sector since there are many opportunities offered.

From the economic point of view, it is a sector that contributes by attaching a high value, due to the nature of products, and which also creates direct employment as well as indirect. It is a sector that has a high potential of growth since it eases the introduction of different types of products in the outer markets, and at the same time adjusting the balance of payment of the countries. On the other hand it allows social confidence, attracting tourism and facilitating the mobility between countries, this way it also generates sustainable resources on a long term.

From the cultural point of view, the cultural and creative industries sector allows the social cohesion, facilitates communication between different communities, countries, and different cultures as it also increases personal empowerment.

As we have already mentioned, the raw material of the cultural and creative industries is creativity. This is why these are shaped even more as one of the main sectors for economic growth.

This growth will only be possible if the transmission of the creativity of the cultural sector and its capacity of generating business innovation will be passed between the different levels that form it, that is, between sectors, institutions and crossed sectors. But this economic growth will only be possible if there are solutions given to the main structural problems which this sector presents.

The main problem of this sector is the insufficiency of financing originated from the difficulties of access towards bank credit and the lack of private financing. The second problem is given by the difficulties when going into the international market because of the small size of the companies and the lack of a unique European market.

The third problem which the sector confronts is the absence of the crossed collaboration between sectors since there is a total ignorance of the companies and the projects that are developed in it. The fourth problem is the lack of adaptation of the professionals' training to the fluctuating needs of the creative and cultural companies. And finally, this is the protection and assessment of the intellectual property which gives rise to a huge challenge for most of the countries.

### **3.3. Development policies of the creative and cultural industry in Europe**

During the last years, the world has changed to a vertiginous speed, and the sector of creative and cultural industry has progressed along with it. The introduction of new technologies, cultural diversity and the growing globalization were the main elements which have triggered this transformation.

For the creative and cultural industries to take advantage of the market opportunities that these elements provide, they have to overcome the following challenges:

- The creation of suitable means by increasing the capacity of experimenting and innovating as an easy access to financing and a suitable combination of competences are being provided
- Promote the development within the local as well as in the regional environment providing a launching platform, more exchanges for a higher global presence
- Speed up the indirect effects of the sector in a wide range of economic and social contexts

In order to face these challenges, UNESCO has made available a development guide of this sector aiming to facilitate the task of the directors of the creative and cultural industries.

The document *“Policies for creativity: Guides for the development of cultural and creative industries”* is considered by the institution a work tool used to guide the conception processes, design and implementation of development policies and it is directed towards government accountable, legislators, technicians and consultants coming from the public area of the creative and cultural sector.

The Guide is divided into three different parts, each one of them with their specific objectives. For this project, we will only focus on the first two:

- The first part deals with planning the sector, which means that it is the part in which methods, alternatives and suggestions are proposed in order to devise policies and programs which aim to guide the beginning of the organization and help carry out an analysis of the situation. Here, we can go by the following diagram:

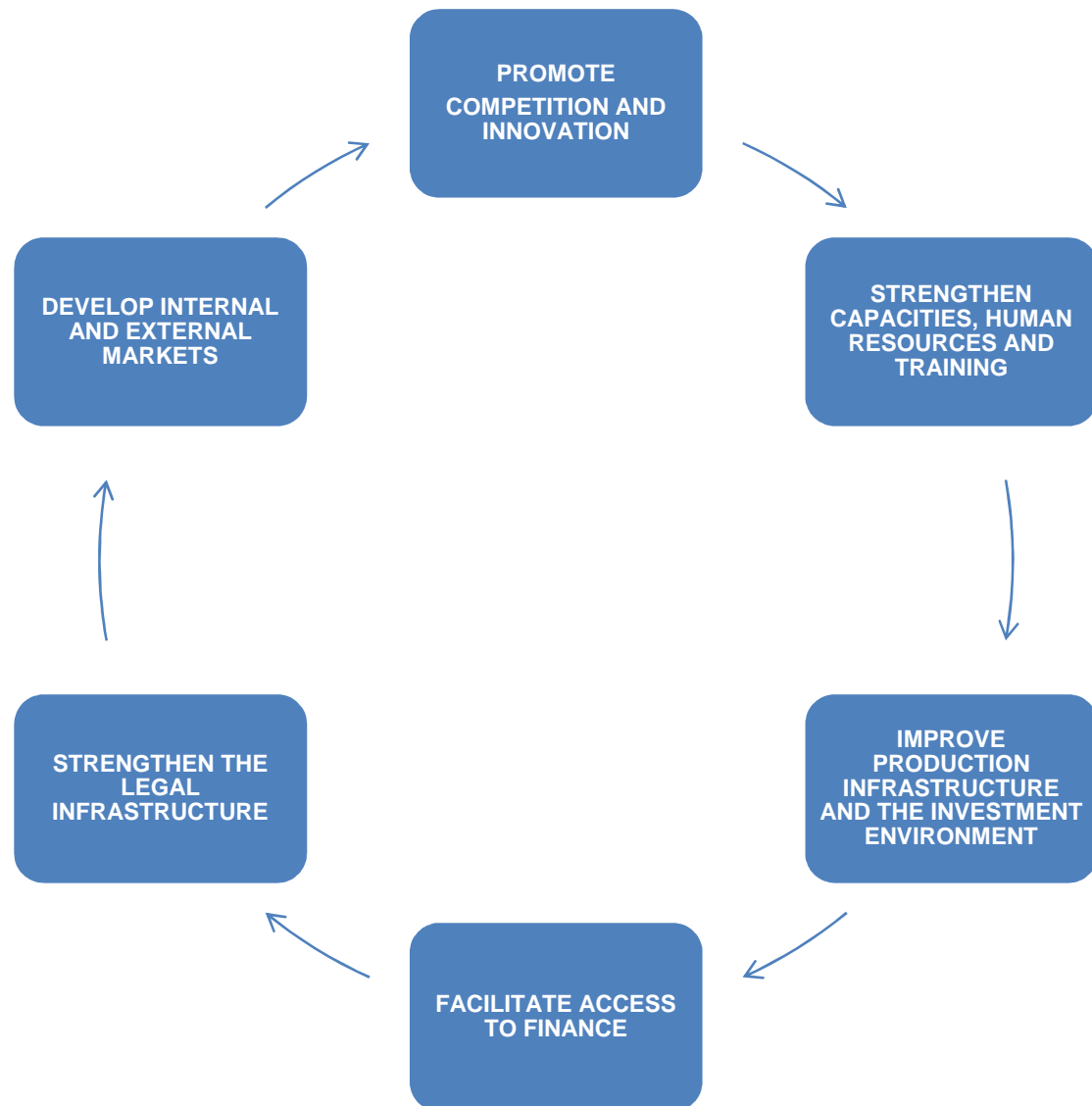
**Figure 3.Planning process**



Source: Policies for creativity: Guides for the development of cultural and creative industries, UNESCO, p.8

- The second part of the Guide gives a display on how to implement and put into practice policies and support programs in the sector. These programs are structured according to six intervention areas:

**Figure 4.Areas of intervention**



Source: Policies for creativity: Guides for the development of cultural and creative industries, UNESCO, p.9

### **3.4. Development initiatives of the creative and cultural industries in the European Union**

In the “Treaty of the European Union” it is clearly stipulated that the Union will contribute to the prosperity of the cultures of the state members, within the respect of their national and regional diversity, as they will also emphasize the cultural common heritage. Since culture is the protagonist of the current European Union, the institution promotes the diffusion of the cultural activity through the program Creative Europe, and through other programs and more specific actions that we will describe hereunder:

#### **1. European calendar for Culture**

We are dealing with a constitutional project that was started in the year 2005 due to the need to revise certain questions like the possibilities and functions that might perform the sector of the cultural and creative industry and how it could overcome the deficits of the own Union. This project mainly defines three types of actions. The first type refers to the promotion of the cultural diversity and the intercultural dialogue. The second action refers to the promotion of the culture as the driving force of creativity in the frame of the Strategy of Lisbon for the growth, the employment, the innovation and the creativity. And finally, the third action deals with the promotion of the culture as a vital element of the international relations of the Union

On the other hand there is established a Plan of Work of the Council in matters of culture for the period established between the years 2015 and 2018. This working plan tries to establish the national and European activities that have to be put into practice as for culture and they are focused on four areas:

- Accessible and integrative culture
- Cultural Heritage
- Cultural and creative sectors: creative economy and innovations
- Promotion of the EU of cultural diversity of the foreign relationships between EU and mobility

#### **2. Cultural European Capital**

This initiative was put into practice for the first time in the year 1985, and from this date on its aim was of showing the positive effect, the media repercussion, the development



of the culture and tourism as well as the appreciation of the own inhabitants, on having been chosen their city as The Capital of Culture. Throughout time the procedures that entitle the cities have evolved and nowadays it is tried out a more efficient, transparent and more European initiative, by considering three types of criteria:

- European dimension
- The city and the citizens
- The sustainability of the celebration

### **3. Creative Europe Plan**

It is considered to be the main European source of financing of the culture for the period comprised between 2014 and 2020 since it constitutes a guaranty deposit and other initiatives of approximately 1.462 million Euros.

The program is intended to stimulate the cultural and creative sectors such as television, scenic and visual arts, design, music, literature, cultural heritage, as it also tries to make it more competitive. We can divide it in two actions:

- The Culture Subprogram: the Union will try to support more than 8.000 cultural organizations (public or private, with or non-profit-making) and 300.000 artists, professionals of culture, to develop their international careers as it will also help to translate more than 5.500 books and literary works
- The MEDIA Subprogram focuses on the distribution across traditional and digital platforms of more than 1000 European movies at the same time as it will finance audio-visual professionals and promote the creation of movies and different audio-visual works of great potential of cross-border traffic.

On the other hand, the Union, by means of this initiative rock and pop will support the European Capitals of Culture and the Stamp of European Heritage, besides the European prizes of literature, architecture, heritage protection, cinema and pop and rock music.

### **4. European program with the citizens**

It is an initiative that tries to involve the citizens into discussions and in the definition of European policies. The program focuses on the development of the organizations of civil society.

As we can see, the European Union and the members who belong to it have discovered the great potential that the sector of cultural and creative industries has nowadays. But we have to emphasize that every state member, apart from the common initiatives, carries out different initiatives for the promotion of this sector. Further on we describe some of the most out-standing cultural national initiatives:

- Bulgaria: the Cultural Department together with the World Organization of the Intellectual Property, have carried out in the year 2007, the first map of the situation of the cultural industries based on the rights of intellectual property of their country
- Czech Republic: in their plan of "Cultural National Politics 2009-2014" they establish as one of their main aims the increase of the competitiveness in the creative and cultural industry and the encouragement of cultural development at the professional as well as the personal level of their citizens.
- Germany: from the year 2007 their government has developed a strategy for cultural and creative industries, recognizing the need to examine the structural challenges and the economic potential in order to optimize their future joint development.
- Greece: the *Hellenic Organization of Small and Medium Sized Enterprises and Handicraft* devoted itself during the year 2009 to make the map of situation of their creative and cultural industries
- Hungary: in the year 2006 they published the document "Guidelines for a cultural modernization" in which they highlight the importance of cultural and creative industries in the social and economic development of the country. In this script, the activities that were being prioritized were the contribution to the rural development through the program of cultural national development, strengthening of collaboration between the sector of culture and the sector of education, and the reinforcement of their own cultural identity by promoting tourism.
- Slovenia: In the report "National and regional Policies for design, creativity and innovation handled by the user" distinguished between two types of creativity. The first type is the creativity that relates to the attitude of the businessmen, employees and the youth, and the second type is the creativity related to innovation, emphasizing the design.

- Sweden: in their regional plan "A national strategy for competitiveness, creation of companies and employment 2007-2013" the government considers culture and heritage key elements for competitiveness and innovative development of the regions
- Italy: the development of creative and cultural industries is the main objective of the "White Book of Creativity".
- United Kingdom: in the year 2008 it is published the program "Creative Great Britain: New talent for a new economy "through which the British government analyses the education, investigation, innovation that includes strategies of intellectual property rights and the promotion of the country as a worldwide creative center.

Throughout last years, every State member, depending on its policies, economic capacities and other key factors, has tried to analyze, diagnose and carry out an action plan in order to promote the development of its creative and cultural national industries.

### 3.5. Developing policies of the creative and cultural industries in Spain

The Development Plan of the Cultural Industries 2015 is placed in the strategic General Plan 2012-2015 of the Ministry State of Culture (*SEC*).

By means of this plan, the Government tries to obtain five general objectives in the sector of creative and cultural industries that are listed as follows:

1. To assemble a State policy that guarantees the right of access to the culture and contributes to support citizenship and favor social cohesion.
2. To reinforce, from the transparency, the instruments of communication and cultural cooperation between public administrations and other institutions to promote an efficient and rational use of cultural resources
3. Stimulate culture as an essential element of exterior projection of the Spanish brand
4. Encourage the participation and prominence of civil society in the support and promotion of culture

5. Enable the creation, innovation and production of knowledge and to stimulate Network Culture, safeguarding the rights resulting from intellectual property

Besides the general aims, five specific objectives are also established for the Development Plan of creative and cultural industries in 2015 and they are commented hereunder:

1. Cooperate with structures and institutions to promote collaboration, associationism, integration, alliances and creation of networks.
2. Increase the social participation and the public recognition of the sector.
3. Support companies and non-profit entities in order to overcome the minimum thresholds of efficiency and/or profitability that allows them to compete in a global market.
4. Improve management training and contribute to the professionalization of the cultural and creative sector.
5. Promote the crossed effects of creativity and cultural innovation in the economy.

These aims can only be obtained by means of specific actions related to every objective.

For the first target, that is to cooperate with structures and institutions to promote collaboration, associationism, integration, alliances and network creation, the creation of a database of companies divided by activity sectors is planned, at the same time as a study is carried out to find out the needs to obtain a development of every subsector and the strategies that these have to follow. It is also expected the accomplishment of at least two executive meetings with the aim to achieve that good practices spread and that a networking generation is created.

To achieve the second aim, that is, increasing the social participation and the public recognition of the sector, it is necessary that the new policy that is going to be applied has a double orientation. On one hand, the offer will have to be taken into account and from there on, promote the approach of cultural production to the real demand of consumers. On the other hand, the demand orientation will require promoting the participation of the citizens in making cultural decisions. A form of participation is through associations, foundations or other type of organizations, and another one is individually, through sponsorship for the promotion of culture.

With the third objective, supporting companies and non-profit entities in order to overcome the minimum thresholds of efficiency and/or profitability that may allow them to compete in a global market, we can discuss the following actions:

- Stimulate the competitiveness of the sector by increasing its presence within international markets by means of collaborations with international institutions (EEA Grants, British Council...), reinforcing the participation of the cultural operators in the programs of the European Union (Creative Europe, Horizon 2020 ...) and taking part in noted activities (World Business Cup, Game Lab, Zinc Shower ...)
- Consolidate the managerial fabric and support the startups by means of the creation of clusters, through the Advising Program of Cultural Entrepreneurship or of the collaboration network of the sector companies
- Finance companies and non-profit entities whilst supporting the direct grants to the capital investment in the cultural and creative industries, the direct grants to non-profit entities and the financing of the cost of the endorsements granted by Audio-visual SGR .
- Own cultural action and collaboration with entities and institutions using the aids established annually in the General Budgets of the State

The fourth objective, of improving the managerial training and contributing to the professionalization of the cultural and creative sector it is only possible if one continues supporting the training programs and the specialization scholarships in matters related to management, coordination, and organization of cultural activities, since this supposes an boost for the productivity of the sector and for the development of the cultural European unique market. The innovation that this Training Plan delivers is the creation of classified ads with the professionals that it have obtained training scholarships in the previous years and who wish to complete their internship in the sector. This generates new opportunities for the young professionals of the sector and facilitates their hiring in companies.

And for the last target, which is to promote the crosswise effects of creativity and cultural innovation in the economy of the Training Plan we consider the following actions:

- Lines of help to the financing of projects intended to promote Spain as a tourist cultural destination.

- The collaboration reinforced between the Ministry of Industry, Energy and Tourism and the Ministry of Education, Culture and Sports for the international promotion of cultural tourism, by means of the development and diffusion of certain products.
- The website [www.españaescultura.es](http://www.españaescultura.es), which is considered THE platform for launching the most important cultural and creative Spanish products

### 3.6. Creative and cultural industry in Europe

According to the study carried out by EY "Creatinggrowth - Measuring cultural and creativeMarkets in the EU ", the creative and cultural industry is the third sector with more direct employment of Europe, after the construction and food sector. 19.31 % of the percentage of workers in this sector is under 30-years-old.

According to this study, the creative and cultural industries assure that they provide a 2.5 more of job positions in the European Union than automobile producers and just the sector of visual arts employs more persons than the industry of telecommunications.

The study analyzed 11 creative and cultural markets in 28 countries of the European Union: books, newspapers and magazines, music, scenic arts, visual arts, television, movies, radio, video games, architecture and advertising. We are dealing with one of the first studies that analyze in depth the cultural and creative industries of the European countries.

The biggest sectors in 2012 were the visual arts with 127 billions of euro, advertising with 93 trillions of euro and television with 90 billions of euro. These three sectors produced more than half of the earnings of the cultural and creative industries. For their part, the publishing houses (newspapers, magazines, and books) generated approximately 107 billion euro in the same year. The major sources of employment in the creative and cultural industries are the visual arts, the scenic arts and music. These create about the half of the 7 million working positions of this sector in the European Union.

## **Presence in the digital world**

The creative and cultural industries are well positioned in the digital economy. The same EY study shows that 70 % of the time that the users spend in average using a tablet is for the consumption of cultural goods. Between the year 2001 and 2011, approximately 30 billion of euro more have been deposited, coming only from this market.

This way, for the music, the use of the digital world meant an increase of sales of 109% between 2009 and 2013. For the books, the development of new services, such as digital books, generated an annual increase of 12% the income for online advertising. The industry of the cinema is more dynamic with the new digital and 3D technologies; the radio has also turned into a multiplatform medium of communication, whereas the "backbone" of this market of the cultural industry is still the video games sector.

Since mobile devices are becoming increasingly powerful and easy to use, the Europeans change their behavior of consumption, including the form of accessing the mass media and the cultural information. More than 50 million Europeans reach the digital world through tablets and 68 % possess a mobile phone with Internet access- in comparison to 46 % in 2010.

This context facilitates a change in the way of reading, seeing and listening to the information of the mass media, the culture and the persons. Two of seven main categories of goods and services bought online are cultural. The first position is occupied by the online purchase of books, with a percentage of 35 % of the acquisitions.

## **The power of the creative and cultural sector**

The cultural and creative sectors are the moving force for other industries. In Europe, for example, one of three tourists plans his holidays depending on the cultural attractions of the area that he wants to visit. Only in France, the cultural tourism generated an income of 18 billions euros in the year 2011, representing 35 % of the tourist consumption.

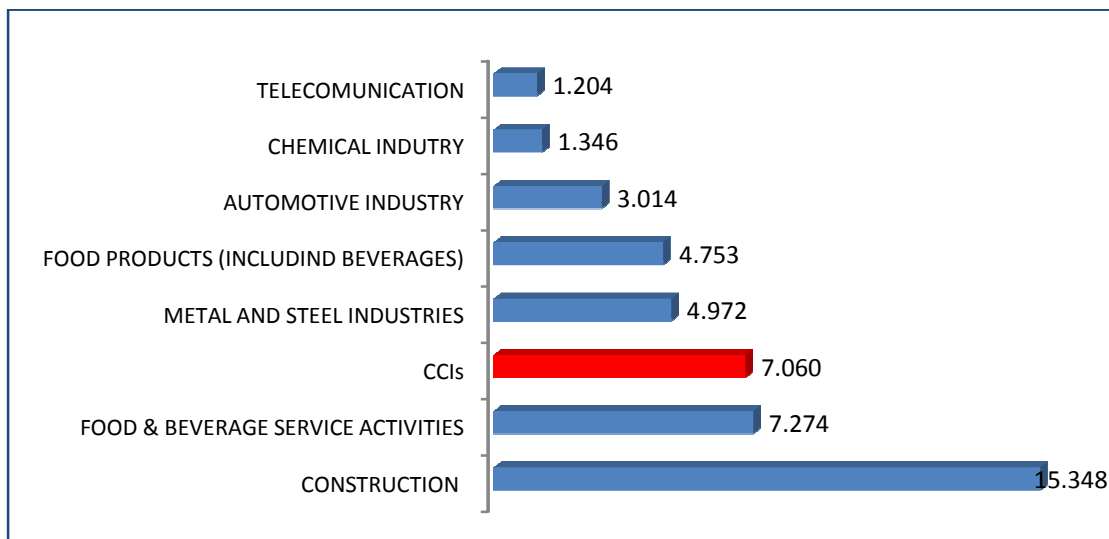
The culture is also a key element in digital innovation. The consumers of the EU have got used to listening to music, the news or playing games using their mobile devices. When they use their tablet, they spend an average of 70 % of their time "consuming"

creative works. In the case of smartphone, 50 % of the times it is used for playing games, see videos and listening to music or to surf the Internet, rather than talking on the phone.

### European Union: leaders of creative industry

The European Union is one of the poles of creative industries where they have their headquarters and a great number of international leaders in the field, as Egmont, Planet Group, La Scala, RTL Group, Nordisk Film, Deezer, RovioEntertainment, Dorotheum, BBC World Service, PublicisSweco. In fact, seven of the major publishers of the world (by income) are European. Five of the ten more important music festivals of the world are all Europeans. The situation is the same in terms of the international leaders of the music industry, and in the case of two of the three major companies of advertising of the world.

**Table 2. Employment (in thousands). 2012**



Source: EY "Creating growth- Measuring cultural and creative Markets in the UE"



**Table 3.The 11 cultural and creative markets in the EU28**

MARKETS		SALES (€ BILLIONS)	JOBS
<b>BOOKS</b>	New user experiences are reinventing the book industry	36.3	646.000
<b>NEWSPAPER &amp; MAGAZINES</b>	Facing and embracing the challenges of the digital age	70.3	483.500
<b>MUSIC</b>	Innovating to lead creative diversity in Europe	25.3	1.168.000
<b>PERFORMING ARTS</b>	Audiences love live concerts and festivals	31.9	1.234.500
<b>TV</b>	The most popular medium is thriving	90	603.500
<b>FILM</b>	Resilience fueled by the digital transformation	17.3	641.000
<b>RADIO</b>	Still the most trusted medium and available in many new ways	10.4	97.000
<b>VIDEO GAMES</b>	Surfing the wave of online and mobile gaming	16	108.000
<b>VISUAL ARTS</b>	Brightening Europe's appeal for tourists and art investors	127.6	1.231.500
<b>ARCHITECTURE</b>	Coping with the aftermath of the construction sector slump	36.2	493.000
<b>ADVERTISING</b>	Driven by the rapid expansion of online revenues	93	818.000
<b>Total CCIs (after removal of doble-counting)</b>		<b>538.9</b>	<b>7.060.000</b>

Source: Study carried out by EY "Creating growth- Measuring cultural and creative Markets in the UE"

### 3.7. The creative and cultural industry in Spain

The following analysis is based on the results obtained from the Satellite Account of the culture in Spain (CSCE), adapted to the base 2008 used in National Accounts.

## Cultural Gross Domestic Product

**Table 4. Contribution of the Gross Domestic Product of cultural activities**

	2008	2009	2010	2011	2012	SPAN AVERAGE
<b>FULLVALUES (MILIONS OF EUROS)</b>	30524	29285	29446	28224	26031	-3,9
<b>Heritage, file cabinets and libraries</b>	2010	2075	2013	1954	1912	-1,3
<b>Books and press</b>	11378	10378	11359	11090	10167	-2,8
<b>Plastic Arts</b>	5008	461	4184	4185	3750	-7,0
<b>Scenic Arts</b>	2334	2420	2411	2293	2172	-1,8
<b>Audiovisual and multimedia</b>	8069	7667	7716	6953	6310	-6,0
<b>Interdisciplinary</b>	1725	1690	17644	1749	1721	-0,1
<b>IN PERCENTAGE OF THE TOTAL GDP</b>	2,8	2,8	2,8	2,7	2,5	2,7
<b>Heritage, file cabinets and libraries</b>	0,18	0,20	0,19	0,19	0,19	0,2
<b>Books and press</b>	1,05	1,03	1,09	1,06	0,99	1,0
<b>Plastic Arts</b>	0,46	0,44	0,40	0,40	0,36	0,4
<b>Scenic Arts</b>	0,21	0,23	0,23	0,22	0,21	0,2
<b>Audiovisual and multimedia</b>	0,74	0,73	0,74	0,66	0,61	0,7
<b>Interdisciplinary</b>	0,16	0,16	0,17	0,17	0,17	0,2
<b>IN PERCENTAGE OF THE CULTURAL GDP</b>	100	100	100	100	100	100
<b>Heritage, file cabinets and libraries</b>	6,6	7,1	6,8	6,9	7,3	7,0
<b>Books and press</b>	37,3	36,9	38,6	39,3	39,1	38,2
<b>Plastic Arts</b>	16,4	15,8	14,2	14,8	14,4	15,1
<b>Scenic Arts</b>	7,6	8,3	8,2	8,1	8,3	8,1
<b>Audiovisual and multimedia</b>	26,4	26,2	26,2	24,6	24,2	25,5
<b>Interdisciplinary</b>	5,7	5,8	6,0	6,2	6,6	6,0

Source: Ministry of Education, Culture and Sports. Satellite account of the culture in Spain. Base 2008. Preview of results 2008-2012

The global evolution of the GDP during the period comprehended between 2008 and 2012 presents a descending profile:

- Heritage, file cabinets and library
  - Presents an average rate of decrease of 1,3 %
  - This sector represents an average term of 7 % of the contribution to the GDP of the cultural activities
- Books and press
  - Presents an average rate of decrease of 2,8 %

- This sector represents an average term of 38,2 % of the contribution to the GDP of the cultural activities
- Plastic Arts
  1. Presents an average rate of decrease of 7 %
  2. This sector represents an average term of 15,1 % of the contribution to the GDP of the cultural activities
- Scenic Arts
  - Presents an average rate of decrease of 5,3 %
  - This sector represents an average term of about 1,8 % of the contribution to the GDP of the cultural activities
- Audio-visual and multimedia
  - Presents an average rate of decrease of 6 %
  - This sector represents an average term of 25,5 % of the contribution to the GDP of the cultural activities
- Interdisciplinary
  - The relative influence of the activities that concern several sectors in relating terms is positioned in 6 %

### Cultural gross added value

**Table 5. Participation of the creative and cultural industry in the Gross Added Value 2008-2012**

Participation in the Gross Added Value (VAB) 2008-2012	
Of the cultural activities	2,9%
Of the activities linked to intellectual property	3,7%
Comparative data of other areas: participation in the VAB 2008-2012	
Agriculture	2,5%
Tobacco, beverage and food industries	2,5%
Telecommunications	1,9%
Financial and insurance activities	4,9%

As we are able to observe in the previous table, during the period understood between 2008 and 2012, the cultural activities have taken part in 2,9 % in the Gross Added Value. On the other hand, the activities linked to the cultural property, in the same period, have a participation of 3,7 % of the Gross Added Value, 0,8 % more than the cultural ones.

If we compare the cultural activities and the activities linked with the intellectual property with other economic sectors as agriculture, supply industries, beverages and tobacco, telecommunications and the financial and insurance activities, it is clearly observed that in terms of participation in the Gross Added value, the only economic sector that overcomes them is the one of financial and insurance activities, with a participation of 4.9 %.The cultural activities and the ones linked to the intellectual property overcome in participation the agriculture, the food, drinks and tobacco industries as well as telecommunications. From this comparison it is clearly observed the importance that the creative and cultural sector has acquired in the Spanish economy in the last years.

## Cultural companies

**Table 6.Cultural companies by autonomous community**

	2008	2009	2010	2011	2012	2013
<b>Total</b>	1111631	112643	113475	113023	110619	108556
<b>Andalucía</b>	14465	14416	14230	14508	14121	13695
<b>Aragón</b>	2485	2480	2754	2796	2742	2664
<b>Principado de Asturias</b>	2345	2309	2343	2398	2377	2308
<b>Illes Balears</b>	2796	2760	27664	2639	2567	2582
<b>Canarias</b>	3959	3965	3883	3920	3888	3810
<b>Cantabria</b>	1078	1094	1112	1111	1088	1067
<b>Castilla and León</b>	4793	44816	4983	5024	5059	5014
<b>Castilla-La Mancha</b>	2918	287	2920	3073	3052	2975
<b>Cataluña</b>	22672	22819	23496	22769	22306	21906
<b>Comunidad Valenciana</b>	10758	10602	10545	10600	10326	10171
<b>Extremadura</b>	1541	1532	1487	1562	1555	1473
<b>Galicia</b>	5801	5815	5875	5957	5826	5825
<b>Comunidad de Madrid</b>	25827	25807	25870	25483	25077	24682
<b>Región de Murcia</b>	2300	2245	2244	2236	2152	2163
<b>Navarra</b>	1303	1329	1338	1317	1290	1237
<b>País Vasco</b>	5806	6991	6823	6785	6377	6209
<b>La Rioja</b>	598	606	626	653	641	645
<b>Ceuta y Melilla</b>	186	180	182	192	175	184

Source: Ministry of Education, Culture and Sports

**Table 7. Economic data of the creative and cultural sector 2013**

Companies	
108.556	3,4%
Legal System	
Natural Persons	54,3%
Legal entities	35,6%
Other	10,1%
Final purpose	
Production of cultural goods and services	76,3%
Trade of cultural goods and services	23,7%
Location	
Madrid	22,7%
Cataluña	20,2%
Andalucía	12,6%
Rest of autonomous regions	44,5%

Source: Ministry of Education, Culture and Sports

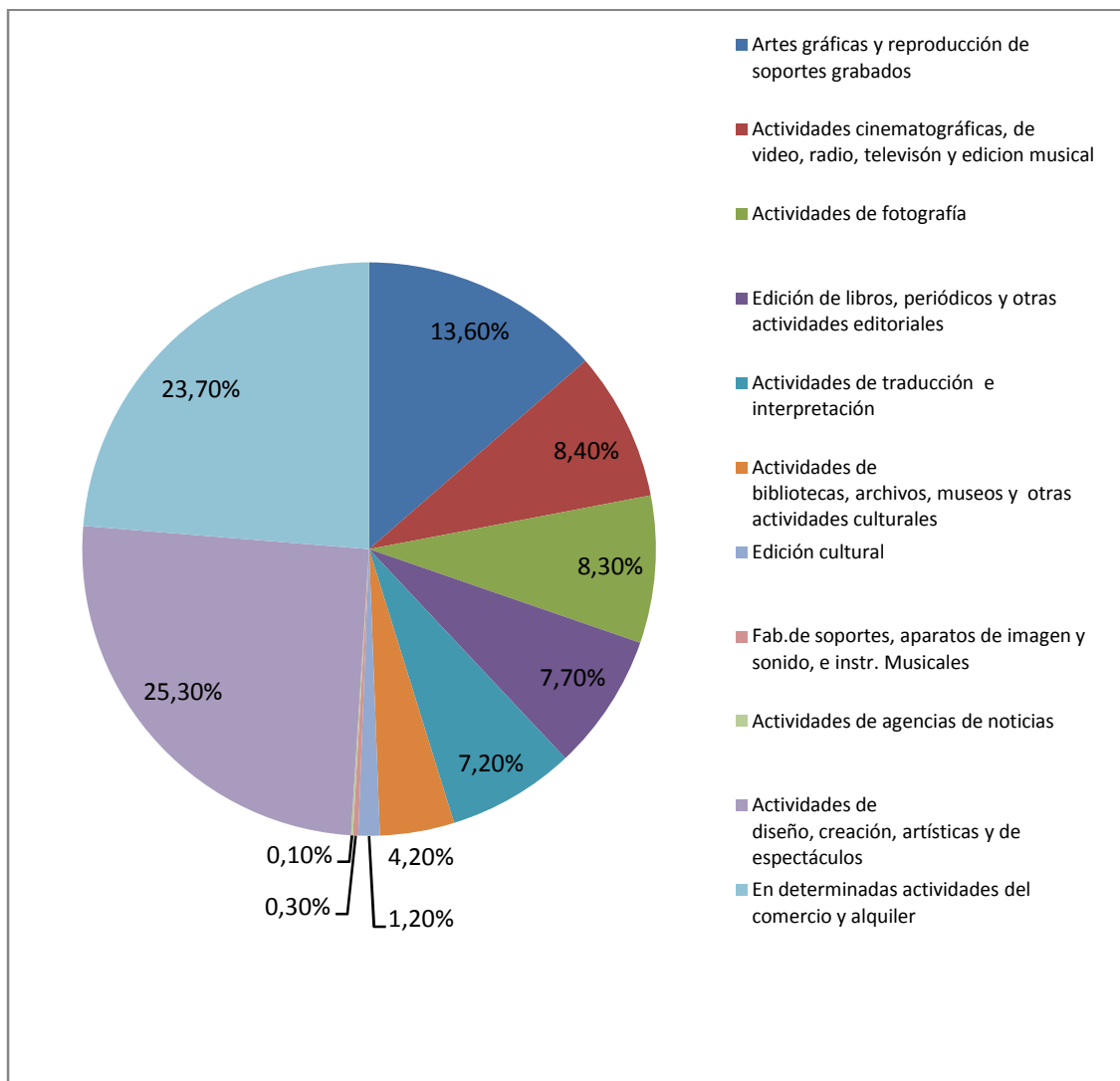
In the year 2013, approximately 108.556 companies developed their activity in Spain, which represents 3.4 % of the total companies in Spain.

Of these companies, more than 50 % are natural persons, 35 % legal entities and 10 % of other legal form. This information clearly explains that this sector is mainly formed by small enterprises and small business administrations.

The main purpose of the cultural and creative companies is the production of goods and services since more than 75 % of the whole develops activities such as editing, libraries, files, museums, cinematographic, artistic, among others. The rest, focus their purpose on the commercialization of the cultural goods and services to national as well as international market.

As for the location of the companies, 55 % of these are developing their activity in Madrid (22.7 %), Catalonia (20.2 %) and Andalusia (12.6 %). Therefore, there is a higher concentration of these seen in the largest cities. Between the remaining communities there is a high variability as for the number of companies.

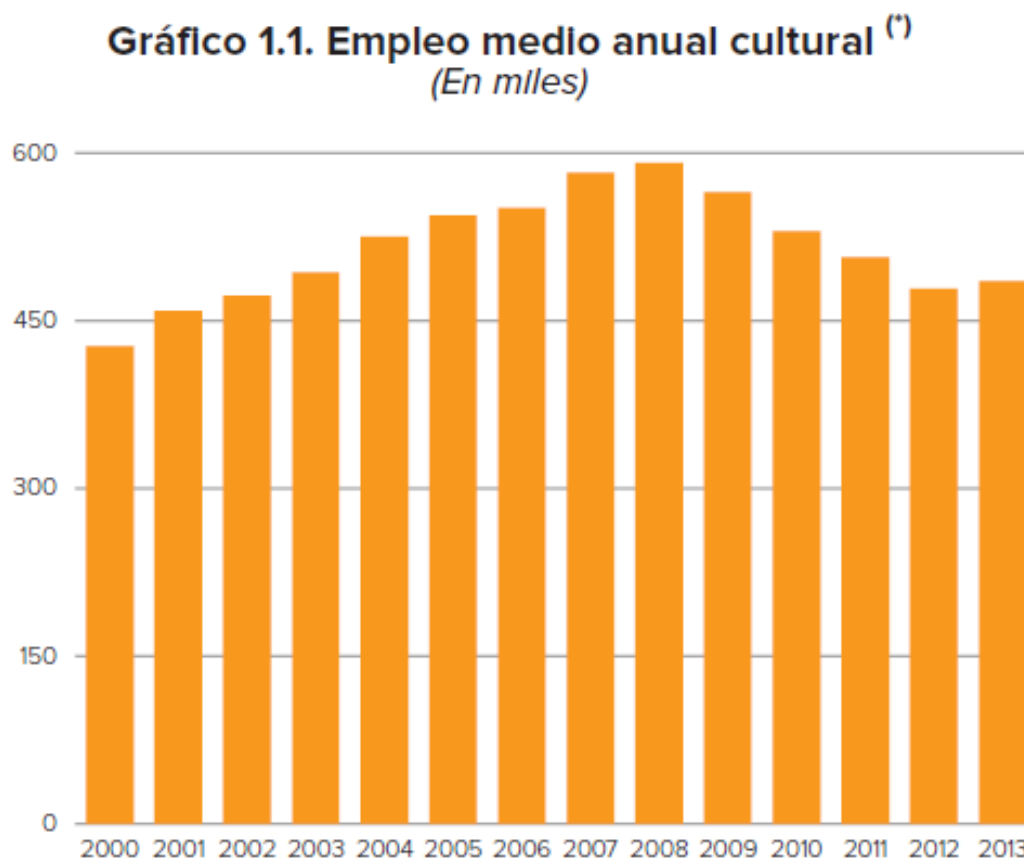
**Graphic 1. Cultural companies in certain activities of the industry and the services by economic activities.2013 (In percent)**



Source: National Institute of Statistics. Central Company Directory

## Cultural Employment

Graphic 2.Average employment (in miles)

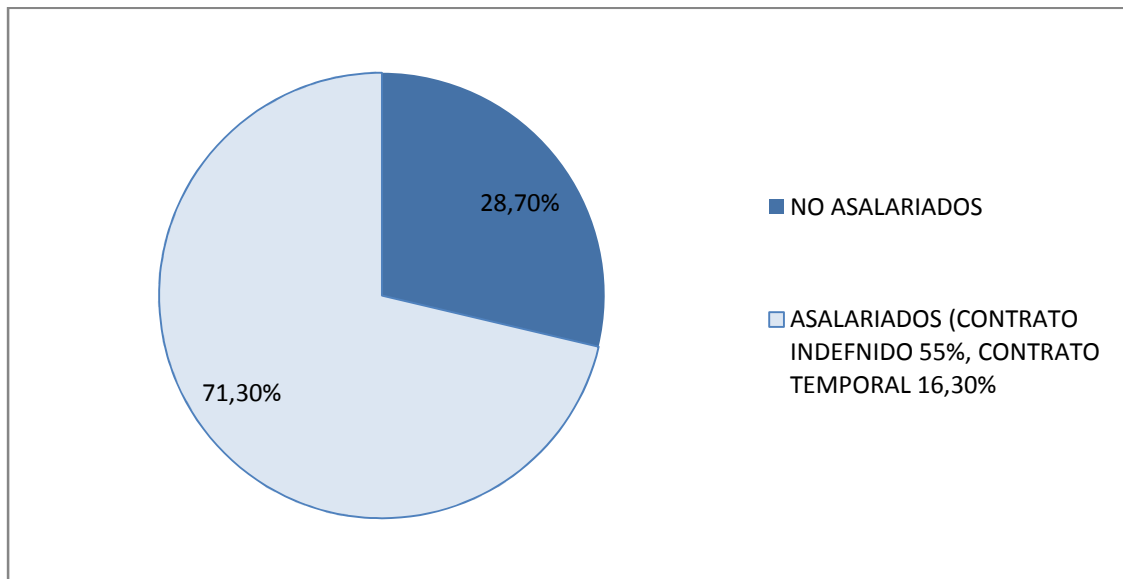


Source: Annual directory of cultural statistics 2014 (Chart)

In the year 2013, according to the State Secretary for Culture, there are approximately 485.3 thousands of persons who develop their activity in this sector, a 2.8 of the total employment in Spain in the average of the annual period.

In the Survey of Active Population, elaborated by the National Institute of Statistics about the cultural sector, certain differences are observed as for the career education, which is superior to the average. 65 % of the cultural sector employees have an upper-level education, opposite to 41.2 % of the national set.

**Graphic 3. Cultural employment rate: by professional situation and type of working day. 2013 (By percentage)**



Source: National Institute of Statistics, Working Population Survey. Annual average

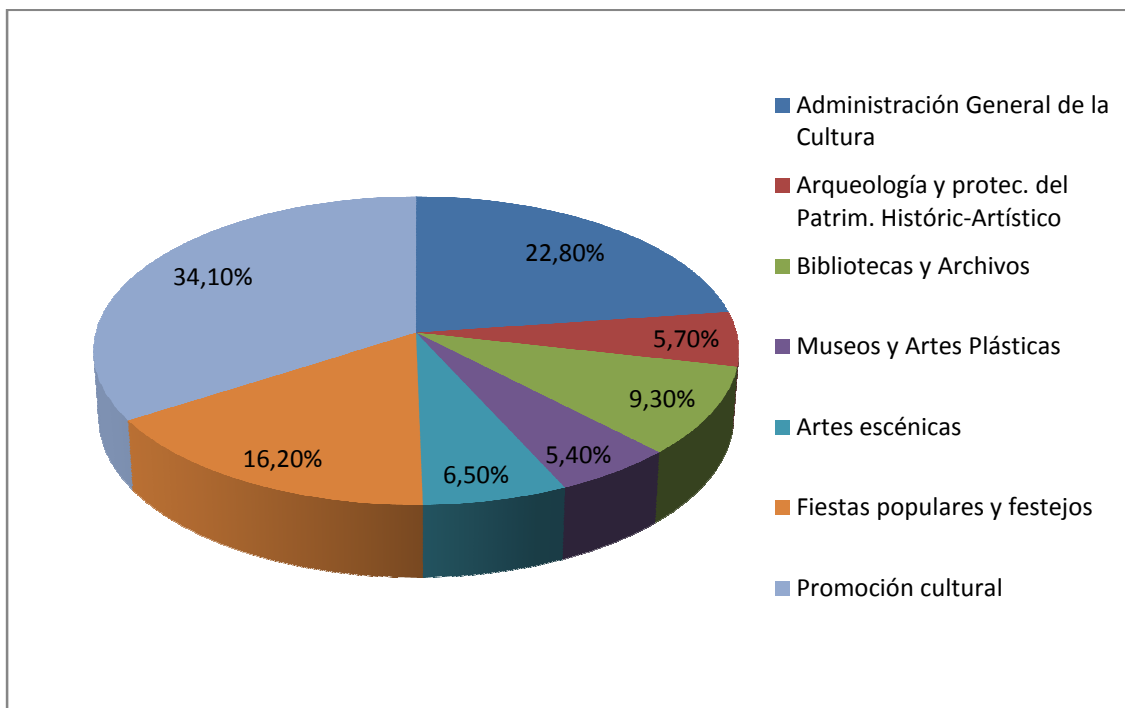
On the other hand, cultural employment is characterized for being hired by a rate of 71.3 %, a lower rate than the observed one in the total 82.1 %. As for workday, 85.2 % are hired full-time and only 14.8 % part-time.

### Financing and public expense in culture

According to the information proceeding from the Financing and Public expenditure in Culture Statistics, during the year 2012 the General State Administration spend 772 million Euros with this sector, the Autonomous Administration spend approximately 1.274 million Euros and the Local Administration approximately 2.726 million Euros. In comparison with the year 2011, these numbers have fallen down a 19.35 %, 14.1 % and 19.8 % respectively.



**Graphic 4. Paid off expenses in culture by the Local Administration by expense destination (By percentage)**



Source: MECD. Financing and Public Expense Statistics in Culture, MHAP. Budget Settlement of the Local Entities Statistics

In case of Local Administration, from the expenses paid in 2012 (2.726 million Euros), 56 % is destined to the General Administration of Culture (22.8 %) and to Cultural Promotion (34.1 %). The rest is distributed between traditional celebrations and feasts with 16.2 %, libraries and files 9.3 %, scenic arts 6.5 %, archaeology and historical-artistic heritage protection 5.7 % and museums and plastic arts with 5.4 %.

## Intellectual property

In the information provided by the General Subdirection of Copyright of the Ministry of Education, Culture and Sports we observe that in the year 2013, 362 million Euros were collected by the set of entities of copyright management.

Attending to the type of entity, 72.9 % of the collection came from copyright management entities, 16.8 from management of artists' copyright entities, interpreters or performers and 10.3 % from producers' rights management entities.

As for the number of members of these entities, in 2013 the total was of 172.000, out of which 95 % are natural persons and only 4.2 % juridical. It must be emphasized that there is an important difference between the distribution by gender, being 77.3 % males and only 22.7 % women.

### **Foreign trade of cultural goods and services**

According to the information coming from the Foreign Trade of Spain Statistics, elaborated by the Customs department and Special Taxes of the State Agency of Tax Administration from two statistical operations belonging to the Statistical National Plan, the Statistics of non-EU countries Trade and the Statistics of Exchange of Goods between States of the European Union in the year 2013 the value of the exports of goods linked with the culture rose to 703.4 million euro and the value of the imports of the same goods to 666.9 million euro. Due to these values, the commercial balance of Spain was positive and placed in 36.5 million euro.

Analyzing the exchange flows of the cultural goods, it is observed that the main destination of the exports was the European Union with 51.2 % of these, followed by Latin America with 27.4 %. As for the imports, again it is observed that 74.6 % of the goods proceed from the European Union.

### **Cultural tourism**

According to the information proceeding from the Ministry of Education, Culture and Sports of three official statistical operations, FAMILITUR, FRONTUR and EGATUR, belonging to the Statistical Plan National and developed by the Institute of Tourist Studies in the year 2013, 9.9 millions of the total trips made with the reason of leisure, break or vacations of the residents in Spain were of cultural nature. To this number we have to add 7.4 million entries of international tourists also of cultural nature.

The total expense of the trips caused by cultural reasons, in the same year, of the residents in Spain and the international tourists rose to 4.242.5 million euros and to 7.462.1 million euros respectively.

## Analysis of the creative and cultural industry areas

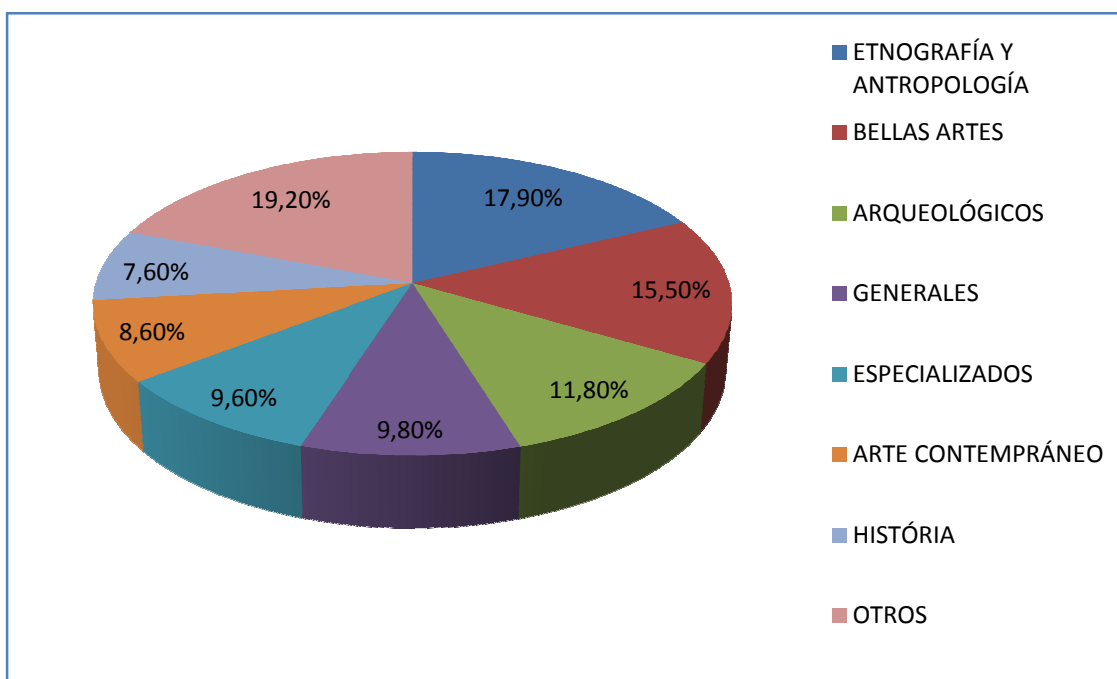
### 1. Museums

According to the Statistics of Museums and Museographic Collections, developed by the Ministry of Education, Culture and Sports, in the year 2012 approximately 59 million visits were received, distributed among 1.529 Spanish museums.

Out of the 1.529 museums, 67.8 % is of public ownership, 30 % is private and only 2,3 % of them has a mixed management. The ones of public ownership, 45,7 % are managed by the Local Administrations, 10,3 % by the General State Administration and 9.6 % belongs to the Autonomous Administration.

As for the typology of museums, it is distributed into the following categories:

**Graphic 5. Museums and Museographic collections depending on typology 2012**  
(Percentage of the total)



Source: *Statistics of Museums and Museographic collections*

## **2. Files**

According to the Statistics of Files belonging to the Statistical National Plan and developed by the General Subdivision of State Files of the Ministry of Education, Culture and Sports, approximately 130.000 documents of room were accessed in 2013, approximately 1,3 millions of meetings of work on the Internet were registered and approximately 29 millions of pages were visited. The same year, 1.1 million visits came from cultural, artistic or architectural interest.

## **3. Libraries**

According to the Statistics of Libraries realized by the Ministry of Education, Culture and Sports, in 2012 there were approximately 6.835 libraries in Spain. Out of these, 61.6 % are public libraries that have general character collections, 30.5 % are of specialized type, 4.2 % represents libraries of higher education institutions and 3.5 % corresponds to libraries for specific groups of users.

In the same year, the subscribed users reached 20.4 million and more than 216 million visits were registered.

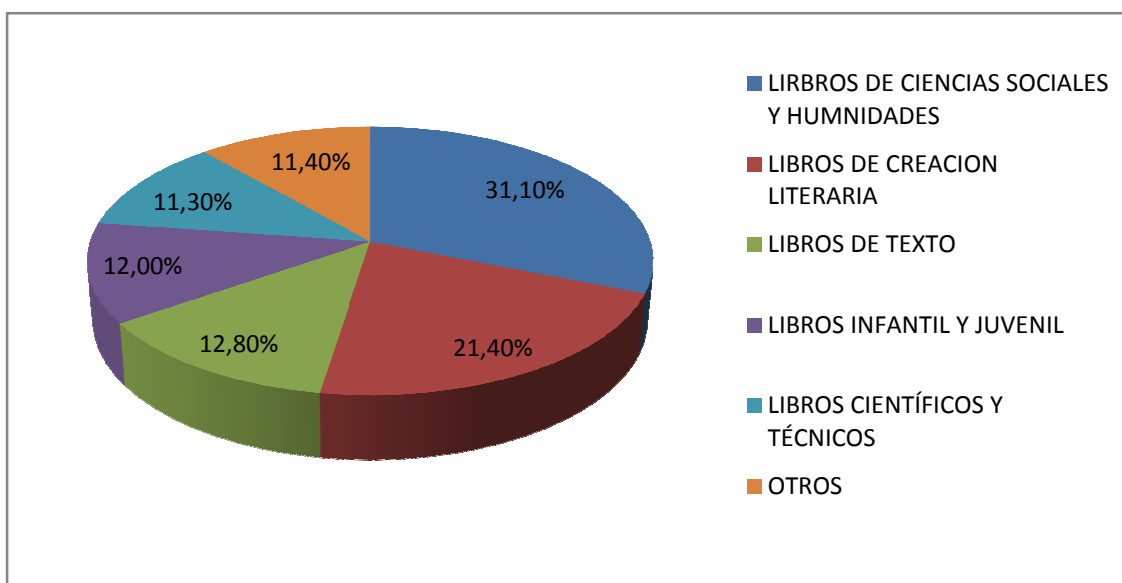
## **4. Books**

According to the data of Statistics of the Spanish Book Editing with ISBN carried out by the Ministry of Education, Culture and Sports in 2013 there were more than 89.000 books registered in the ISBN, out of which 74 % were in paper format and 26 % in other formats.

As for the type of editions in 2013, 83.9 % were first editions, 2.2 % was reissues and 13.8 % was represented by reprinting.

The subsectors of books registered in the ISBN in 2013 were the following:

**Graphic 6.Subsectors books registered in the ISBN 2013 (by percentage)**



Source: Statistics of the Spanish Book Editing with ISBN

## **5. Music and performing arts**

According to the information provided by the exploitation of the Musical Resources and Dance Databases and of Scenic Arts Resources, statistical operations belonging to the Inventory of the State Statistics and developed by the National Institute of Scenic Arts and Music (INAEM), through the Center of Documentation of Music and Dance and the Center of Theatrical Documentation, in the year 2013 there were 1.490 theatrical scenic spaces of which 74.5 % were of public ownership, and approximately 515 concert rooms out of which 72.8 % also belonged to public ownership.

In the same year, 1.199 musical printed works were registered in the ISMN record. Bearing the musical genre in mind, the works are distributed in the following way: 41.7 % correspond to trivial music, 37.9 % to instrumental music and 15.4 % to vocal music.

## **6. Film and video**

According to the information provided by the exploitation of the Musical Resources and Dance Databases and of Scenic Arts Resources, statistical operations belonging to the

Inventory of State Statistics and developed by the National Institute of Scenic Arts and Music (INAEM), through the Center of Documentation of Music and Dance and the Center of Theatrical Documentation, in the year 2013 there were approximately 78.7 million of spectators where there were 506.3 million euro were collected. Out of these, 11 million were spectators of Spanish cinema who spent 70.2 million and 67.7 million went to see foreign movies, out of which 436.3 million euro were collected.

In the same year, in Spain there were 3.908 exhibition rooms. In these they showed approximately 1.629 movies, which comprised 33.3 % of new releases.

## **7. Bullfighting matters**

According to the information proceeding from the Statistics of Bullfighting Matters, statistical operation belonging to the Statistical National Plan (PEN) developed by the Ministry of Education, Culture and Sports in collaboration with the communities and autonomous cities, in the year 2013 there were registered 9.835 bullfighting professionals in this sector, out of which 97.6 % were barons and the rest, women.

As for the number of cattle companies of fighting beasts and bullfighting schools, in 2013 the number rose to 1.341 and 43 respectively.

Throughout the same year, in the Spanish territory 1.858 bullfighting feasts were celebrated. Giving further attention to the type of celebration, out of the total, 23 % were bullfights, 11.9 % festivities of spears, 12.5 % bullfighting with young bulls and assistants, 12 % festivals, 6.8 % mixed festivities. The remaining 33.7 % belong to mixed bullfights with spears, bullfighting using young bulls, bullfighting with young bulls without assistants or comical bullfighting.

### 3.8. Creative and cultural industry in the United Kingdom

The Government defined this sector in 2001 as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. This concept involves all those areas like: architecture and urban regeneration, art and design, the art show, film and video, photo, industrial inventors and artificial intelligence, the media (on paper, audio or video), fashion and design, traditional trades, tourism and cultural monuments, music, advertising, software, and video games interactive, prints and web design.

#### Gross Value Added (GVA) of the creative industries

According to the report “Creative Industries Economic Estimates” from the Department for Culture, Media and Sport, in 2012 the United Kingdom Gross Value Added was £71.4 billion. This value represents 5.4% from the UK economy as a whole.

Since 2008 the GVA of the creative industries has increased by 15.6, but this the sector did not grow at the same scale all this period:

- 2008-2010: the GVA of the creative industries went from 4.7% to 4.2%, which represents a decrease in 0.5%
- 2010-2012: the GVA of the creative industries went from 4.2% to 5.2%, which represents an increase in 2.0%

**Table 8.GVA of the UK Creative Industries 2008 – 2012.**

<b>GVA (£ m)</b>					
<b>Creative Industries Group</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Advertising and marketing	8,347	6,967	6,840	8,099	10,229
Architecture	3,565	3,205	2,638	3,223	3,491
Crafts	195	218	268	266	248
Design: product, graphic and fashion design	1,856	1,886	2,049	2,504	2,491
Film, TV, video, radio and photography	8,801	6,923	7,973	9,979	9,752
IT, software and computer services	26,018	26,403	26,991	27,939	30,904
Publishing	9,255	8,968	9,580	9,228	9,706
Museums, galleries and libraries	-	-	-	-	-
Music, performing and visual arts	3,740	3,779	3,434	4,039	4,574
<b>Total</b>	<b>61,784</b>	<b>58,391</b>	<b>59,825</b>	<b>65,277</b>	<b>71,395</b>

Source: "Creative Industries Economic Estimates, January 2014, Statistical Release"  
Department for Culture, Media and Sport



**Table 9. Percentage change in GVA UK**

Creative Industries Group	Percentage Change on Previous Years				Annual Average Increase (2008-2012)
	2009	2010	2011	2012	
<b>Advertising and marketing</b>	-16.5%	-1.8%	18.4%	26.31%	6.6%
<b>Architecture</b>	-10.1%	-17.7%	22.2%	8.3%	0.7%
<b>Crafts</b>	11.8%	22.9%	-0.7%	-6.8%	6.8%
<b>Design: products, graphic and fashion design</b>	1.6%	8.6%	22.2%	-0.5%	8.0%
<b>Film, TV, video, radio and photography</b>	-21.3%	15.2%	25.2%	-2.3%	4.2%
<b>IT, software and computer services</b>	1.5%	2.25	3.5%	10.6%	4.5%
<b>Publishing</b>	-3.1%	6.8%	-3.7%	5.2%	1.3%
<b>Museums, galleries and libraries</b>	-	-	-	-	-
<b>Music, performing and visual arts</b>	1.0%	-9.1%	17.6%	13.2%	5.7%
<b>Total Creative Industries</b>	-5.5%	2.5%	9.1%	9.4%	3.9%

Source: "Creative Industries Economic Estimates, January 2014, Statistical Release" Department for Culture, Media and Sport

As we can see above the largest increase in GVA 2012 was in the advertising and marketing group with a 26.3%, followed by music, performing and visual arts group with a 13.2%, the IT, software and computer services group with a 10.6%, architecture with 8.3% and publishing with 5.2%. The other groups like crafts, design, film, TV, radio and photography in 2012 had a negative GVA compared to the year before.

Between 2008 and 2012 the average increase in GVA creative industries groups was:

- Design: products, graphic and fashion design: with an average GVA of 8.0%
- Crafts: with an average GVA of 6.8%
- Advertising and marketing: with an average GVA of 6.6%
- Music, performing and visual arts: with an average GVA of 5.7%
- IT, software and computer services: with an average GVA of 4.5%
- Film, TV, video, radio and photography: with an average GVA of 4.2%
- Publishing: with an average GVA of 1.3%
- Architecture: with an average GVA of 0.7%

During the same period the average increase in GVA of the total of creative culture was a 3.9%.

## Employment in the Creative Industries

In 2012, in United Kingdom were 2.55 million jobs in the creative economy. 1.68 million of these were jobs in the creative industries and the rest of them were jobs outside these jobs were considered outside the creative industries.

Between 2011 and 2012, employment in the creative economy increased in 6.0%

**Table 10. Employment in the Creative Industries UK**

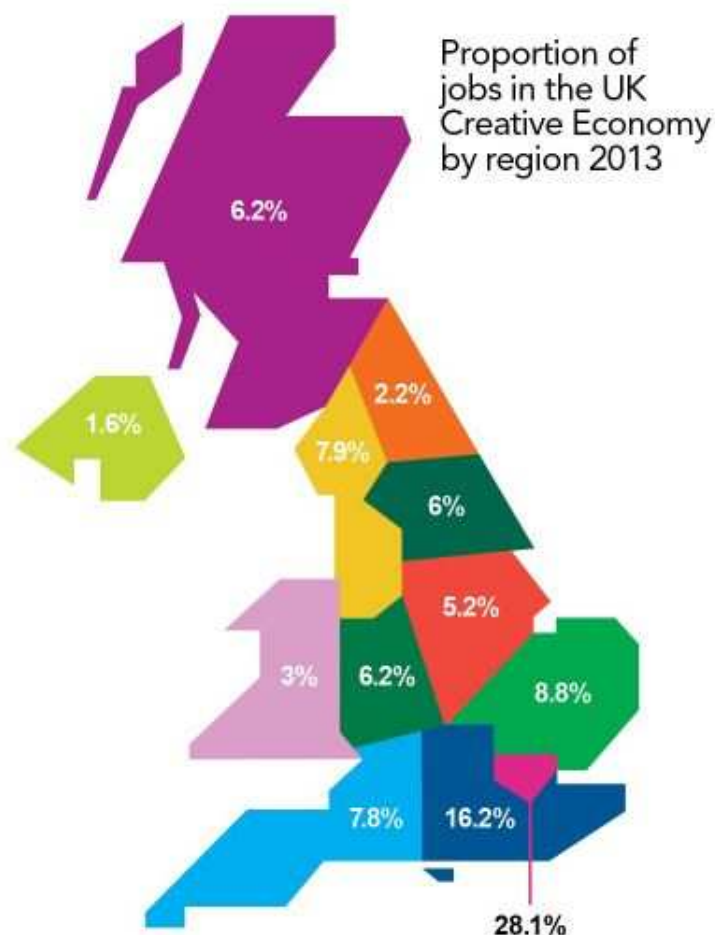
<b>Creative Industries Group</b>	<b>Creative Industries Employment 2011</b>	<b>Creative Industries Employment 2012</b>	<b>Percentage Change</b>
Advertising and marketing	147,000	143,000	-2.8%
Architecture	93,000	89,000	-4.2%
Crafts	9,000	7,000	-19.5%
Design: product, graphic and fashion design	100,000	116,000	16.2%
Film, TV, video, radio and photography	209,000	238,000	13.6%
IT, software and computer services	482,000	558,000	15.6%
Publishing	207,000	223,000	7.5%
Museums, galleries and libraries	90,000	85,000	-5.4%
Music, performing and visual arts	212,000	224,000	5.6%
<b>Creative Industries Total</b>	<b>1,551,000</b>	<b>1,684,000</b>	<b>8.6%</b>
<b>UK Total Employment</b>	<b>29,935,000</b>	<b>30,150,000</b>	<b>0.7%</b>

Source: "Creative Industries Economic Estimates, January 2014, Statistical Release"  
Department for Culture, Media and Sport

If we analyze the employment in each sector between 2011 and 2012 we see that the creative industries group with the largest increased was Design: product, graphic and fashion design with a 16.2%, followed by IT, software and computer services group with 15.6%, Film, TV, video, radio and photography group with 13.6%, Publishing group with a 7.5%, and Music, performing and visual arts with 5.6%

The rest of the creative industries groups had suffer a decrease in the number of employees. The largest decrease in was in the crafts group with a 19.5% of the employment.

**Image 5. Proportion of jobs in United Kingdom**



Source: The creative industries in United Kingdom, DCMS estimated June 2014/ Jan 2015

## Exports of creative services

The value of services exported by the creative industries was £17.3bn in 2012 which represent 8.8% of total UK service exports. Between 2009 and 2011 the same value increased in 16.1% and between 2011 and 2012 the value of service exports from the creative industries increased by 11.3 per cent.

IT, software and computer services accounted for 46.5 per cent of Creative Industries service exports in 2011. Exports in the same industries group increased in 8.2 % between 2009 and 2010, and 14.7% between 2010 and 2011.

The group which grew by the largest percentage between 2009 and 2011 was publishing with a 20.9% growth between 2009 and 2010, and 20.6% between 2010 and 2011.

## Cultural tourism

According to the Office of National Statistics, in 2013 the value of Tourism to the United Kingdom economy was £12.9 billion which represents a 9.0% of its total Gross Value Added.

The Anholt GfK Nations Brand Index defines the overall nation brand as a sum of scores from six dimensions: Tourism, Culture, People, Immigration-Investment, Exports and Governance. According to the same source United Kingdom is ranked 3<sup>rd</sup> out of 50 nations in terms of tourism brand and 5<sup>th</sup> for culture.

**Image 6. Britain's image overseas**



Source: Britain's image overseas according to the 2014 Anholt GfK Nations Brand Index

But in 2013, the tourists spend only 5.715 millions in cultural activities, because their cultural tourism is based on elements of contemporary culture and cultural heritage.

## Analysis of the creative and cultural industry areas

### 1. Advertising

The Gross Value Added of the advertising and marketing group in 2013 was £ 10.25 billion. Between 2008 and 2013 this group recorded a 4.2% annual growth.

Regarding the number of jobs, in 2013 there were 482.000 advertising and marketing jobs, including 329.000 that are advertising and marketing roles outside the creative industries. This group has the highest percentage of roles outside the creative industries with a 68.2%.

In 2012, were exported a £2.34 billion of services from advertising and marketing sector.

## **2. Architecture**

In 2013 the Gross Value Added of the architecture sector was £3.6 billion. Compared to the value from 2012, this represents a rise of 2.7%.

Regarding the number of jobs, in 2013 were 136.000 architecture-related jobs in the creative economy. 69.3% of the workers in this sector are people with degree or equivalent level qualifications.

## **3. Arts and culture**

In 2013 the number of jobs in museums, galleries and libraries was 110,000. 17.000 of them were creative jobs within the industries, 68.000 were jobs related to the sector also known as "support" jobs, and 25.000 were creative jobs outside the sector.

The number of jobs in music, performing and the visual arts during the same year were 300,000. From these, 167,000 were creative jobs within the creative industries, 57,000 creative jobs outside the creative industries and 76,000 "support" jobs in the creative industries.

## **4. Craft**

Between 2012 and 2013 the craft sector generated £746m in GVA to the UK economy, with an additional £243m of GVA generated by craft occupations in other creative industries.

Regarding the number of jobs, during the same period, were 96.000 jobs in the craft industries. Also there were 88.000 jobs outside the sector, and 3000 craft "support" jobs.

## **5. Design**

The United Kingdom has the second-largest design sector in the world and the largest design industry in Europe, with an estimated £3.1bn of Gross Value Added in 2013.

There are 177,000 UK design jobs in the creative economy. This number includes jobs from product, graphic and fashion design, and includes design role in non-design agencies.

## **6. Fashion**

In 2013, the Gross Value Added of the product, graphic and fashion design sectors was 3.09 billion. Compared to 2012, this sector added value increased in 23.8%.

During the same year, in this sector were working 177.000 people. From this number of jobs, 75,000 were in the creative industries, 47,000 were to support those jobs within the creative industries, and 55,000 design related roles within the wider creative economy.

## **7. Games**

In 2013 the Gross Value Added of the computer games industry was £1.72 billion, and employed 19,000 people.

## **8. Music**

In 2013 Gross Value Added of the music sector was about £3.8bn to the UK economy. This value was made up of: £1.74billion from musicians, composers, lyricists and songwriters; £618m from recorded music; £789m from live music; £436m from music publishing; £80m from music representatives such as agents and management and £102m from music producers.

During the same year in this sector were employed 110.000 people.

## **9. Publishing**

The Gross Value Added by the publishing sector in 2013 was estimated to be £9.94billion this value increased in 1.4% a year between 2008 and 2013.

Regarding the number of jobs, in 2013 is estimated to have accounted for 231,000 jobs in the UK creative, with an almost equal split between men (50.2%) and women (49.8%).

## **10. Tech**

In 2013 the estimated Gross Value Added of the IT, software and computer services sector £35.1 billion. During 2008 and 2013 this sector growth in an average rate of 6.2%

The number of jobs this sector within the wider creative economy grew by 16.4% year on year in 2013, with tech jobs within the creative industries specifically increasing by 19.4% during the same period.

## **11. TV and film**

In 2012, the TV, film, radio and photography sector generated £9.75bn of Gross Value Added.

In 2013 there were estimated 266.000 jobs in film, TV, radio and photography, this number includes 146.000 jobs in film, TV, radio and photography within creative industries, 28.000 of creative jobs outside the creative industries, and 92.000 of support jobs within the creative industries related to film, TV, radio and photography.



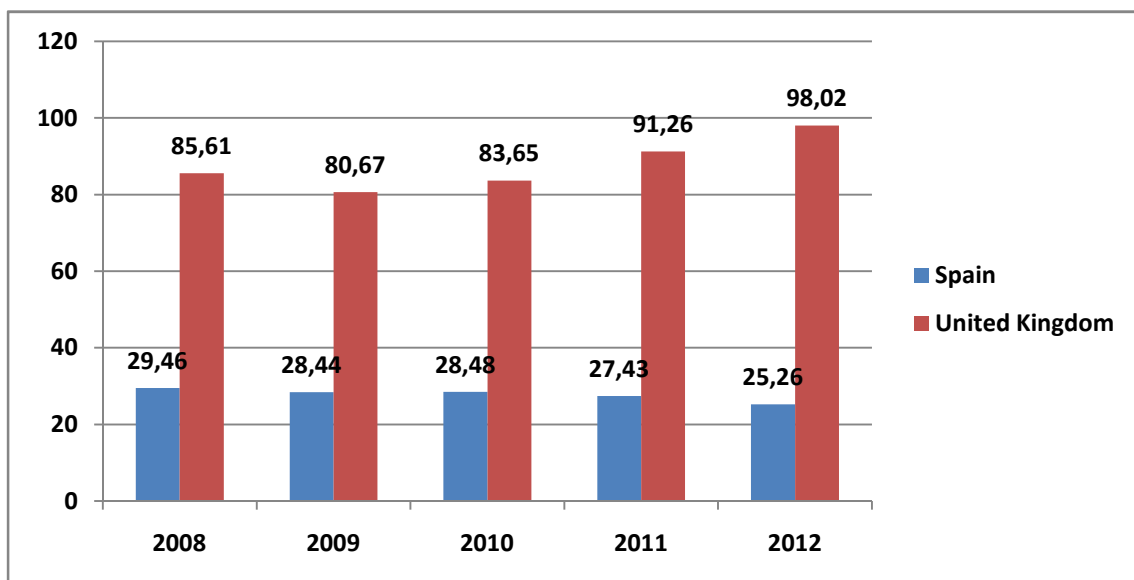
## 4. CONCLUSIONS

### Comparison between the creative and cultural industry of Spain and United Kingdom

If we compare the creative and cultural industries from Spain with the ones from United Kingdom, we can see clearly that between them is a huge difference. We can see that this industrial sector is way above in United Kingdom.

United Kingdom is considered one of the world leaders in the creative and cultural sector. Meanwhile creative and cultural industry in Spain it is still considered a new industrial sector.

**Graphic 7. Gross Value Added 2008-2010 (in billions €)**



Source: DCMS and MECD

Between 2008 and 2012, we can see United Kingdom Gross Value Added by the creative and cultural sector it is almost three times over the one from Spain. For example in 2012, the Gross Value Added in United Kingdom was 98.02 billions euros, when in Spain the same value reaches only 25.26 billion euros.

### Employment

In the year 2013, there are approximately 485.3 thousands of persons who develop their activity in this sector, a 2.8 of the total employment in Spain.

During the same year, in United Kingdom were 2.62 million jobs in the creative economy. This value represents an 8.5% of the total employment of the country.

#### Exports of creative services

In Spain during 2013 the value of the exports of goods linked with the culture rose to 703.4 million euro and the value of the imports of the same goods to 666.9 million euro. Due to these values, the commercial balance of Spain was positive and placed in 36.5 million euro.

Meanwhile, the United Kingdom the value of the export of creative and cultural services was 24.31 billion euros, 8.8% of all the country exports.

### **Main problems**

The creative and cultural industries it is an economic sector difficult enough to analyze. This problem is caused by political factors, as well as economic factors, social and technological ones.

From the political factors we can distinguish the lack of an international politics that should normalize the industry since the majority of the countries have a few chaotic laws that are not respected.

From the economic factors it is necessary to distinguish the lack of the big companies, the great number of small companies, the lack of financing and the economic crisis that still affects the economies of the different European countries.

Of the social factors we have to mention the lack of collaboration between the different companies, and the limited flow of information that between them.

As for the technological factors, we have to nominated the outsourcing of the companies, the endowment with technology of average quality and the new models of production

## **Suggestions**

To be able to solve the main problems that this industry presents we need to:

- Be able to defined exactly the concept of creative industry and of its classification in order to be able to realize a suitable follow-up of the economic evolution
- To classify and to delimit the working places related by the creative and cultural industries
- Creation of a governmental department which must be able to define the professional standards, the laws of the intellectual property and the copyright, the fiscal policies and the policies of promotion of the creative and cultural industries.
- The creation of a Brand for the creative and cultural industries that it(he) could be promoted worldwide
- New programs to stimulate the creation of new companies in the sector and to offer new helps to the small and medium companies (financing and incentives)

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